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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 000468

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SUBJECT: NEPAL: GON PRESENTS TOUGH LINE FOR MAOIST ENTRY
INTO GOVERNMENT

REF: A. KATHMANDU 406

[1](#)B. KATHMANDU 366

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

[1](#)1. (C) Dr. Suresh Chalise, the Prime Minister's Foreign Policy Advisor, told the DCM March 1 that the Government of Nepal (GON) planned to take a hard line on Maoist entry into an interim government. The GON considered that arms management would be complete when UN monitoring equipment was in place for Maoist weapons, perhaps as early as March 15. The GON had passed tough pre-conditions for Maoist entry into an interim government to the Maoist negotiating team on the evening of February 28, prompting an angry response. If the Maoists committed to the GON's conditions, their entry into an interim government could happen immediately. The PM was not eager to fulfill the demands of the demonstrators in the Terai, principally the resignation of Home Minister Sitaula. The GON's plans to solve the unrest in the Terai were unclear, Chalise admitted.

Arms Management: UN Monitoring Enough

[1](#)2. (C) In a meeting on March 1, the PM's Foreign Policy Advisor Dr. Suresh Chalise told the DCM that the GON would consider arms management complete when the UN monitoring regime was in place for Maoist weapons. The UN had already begun testing equipment at one of the seven cantonments and would likely be finished setting up the system by March 15. At that time, the GON planned to consider arms management complete for entry of the Maoists into an interim government. Although previously the GON had suggested it would hold the line until the second phase of UN combatant registration was complete, full deployment would not be complete until mid-April. Second phase registration would take weeks. The GON and the Maoists were still debating within the Joint Monitoring Coordinating Committee (JMCC) which Maoist leaders would receive, and how many weapons would be retained for, armed Maoist protective details. The Council of Ministers would have to endorse completion of arms management.

List of Conditions for the Maoists

13. (C) Chalise said that the GON was frustrated by the repeated Maoist breaches of commitments, including a Maoist Member of Parliament bringing a weapon into Parliament and armed Maoists taking to the streets in Nepalgunj. Chalise passed a briefing note to the DCM prepared for the PM that set conditions for the Maoists to meet before entering an interim government (unofficial translation of document below). The conditions had been passed to the Maoists in a meeting between the GON and the Maoists on the evening of February 28. The Maoists had become angry when the GON presented the points, postponing a scheduled subsequent meeting between the PM and Maoist Supremo Prachanda. If the Maoists made a commitment to live up to the demands presented in the briefing, the GON might allow them into the government immediately, even before UN monitoring was fully in place, Chalise noted.

Law and Order: Not Yet

14. (C) The DCM asked whether the growing frustration would mean that the GON would begin to crack down on Maoist violations of the law. Chalise replied that the time was not yet right for enforcement of law and order. The DCM pushed him on the point, stating that enforcement of law and order was essential for the success of the process. Chalise responded that the GON was trying to walk a fine line, not doing anything that would hurt the peace process or push the Maoists away from negotiations. The important thing was that the Maoists abide by previous commitments and gave up violence.

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A House Divided

15. (C) Chalise continued to worry about the Seven-Party Alliance (SPA) as a "house divided." The SPA had been plagued by internal divisions not only among the parties, but also within the government itself, on issues critical to the peace process. The Maoists would be able to continue to take advantage of these divisions if the SPA did not maintain its unity. The international community needed to support the SPA and make it clear that continued SPA unity was important.

Terai: Muddling Along

16. (C) Chalise stated that he had met with Upendra Yadav, head of the Madhesi People's Rights Forum (MPRF), two times to discuss the demands of the protestors in the Terai. Yadav had made it clear that the MPRF's bottom line boiled down to three demands: resignation of the Home Minister, an inquiry commission to look into the deaths in the Terai protests, and a declaration of martyrdom for those killed and compensation for their families. Chalise believed that these demands were reasonable, but the PM did not agree. The PM was loathe to have the Home Minister resign under pressure from the street, but other elements in the GON were pushing for just such an outcome. The GON did not have a clear plan for solving the issues in the Terai, Chalise acknowledged.

Comment

17. (C) We will continue to push the GON and the SPA to remain united and support a firm line insisting on Maoist compliance with their signed commitments. The Maoists will continue to take advantage of internal divisions within the parties, the SPA, and the GON to push toward their goal of a monopoly on state power. We will also push the GON to seriously address the unrest in the Terai. It is a step, albeit small, for the

PM's senior advisor to meet with the MPRF. Whether laying down conditions for Maoist entry into an interim government will decisively shape the course of events remains to be seen.

Text of Briefing

18. (C) Following is an unofficial translation of the text of the briefing memo:

Begin Text.

SUBJECTS THE PRIME MINISTER SHOULD CLARIFY WITH THE MAOISTS

There is still a serious crisis of confidence between the Government and the Maoists because the activities of the Maoists are not credible. Reasons for that are:

- There is a huge gap between the number of arms the Maoists deposited in cantonments and the number of their combatants. First, they do not appear to have handed over all the arms they had. Secondly, most of the combatants registered look like school children.

- Attitudes and behavior of the Maoist workers are still violent, intolerant, and aggressive. The acts of attacking and beating up other groups and other party cadre have not stopped yet. The Maoist workers are moving around openly with weapons.

- Property seized have not been returned as yet. Various government property has also been captured by force.

- Intimidation and extortion of businessmen and industrialists and provoking the laborers and workers has jeopardized the industrial atmosphere. Domestic capital is fleeing out of the country.

- Maoists continue to obstruct the work of the local bodies,

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like the District Development Committees and the Village Development Committees, claiming that they will not allow them to function until the Maoists enter the government.

Thus, the Maoists should immediately do the following:

- Only the real combatants should stay in the cantonments and the non-combatants and children should be taken out from the cantonments. The government has the responsibility to look after combatants only.

- The Maoist leaders should make public that they do not have weapons outside the cantonments, and if found, then necessary action will be taken.

- Make public that all confiscated property has been returned without any condition.

- Stop all parallel security arrangements provided to the Maoist leaders, and come under a government structure.

- Stop all extortion and not spoil the industrial environment.

- Immediately stop attacking and terrorizing other political parties and groups.

- Allow local agencies to operate and not obstruct development work.

It would be counter-productive to include the Maoists in the government until the aforementioned issues are addressed.

End text.

MORIARTY